

Kentucky Agricultural Development Board

Minutes of the February 18, 2005 Board Meeting

The regular meeting of the Kentucky Agricultural Development Board was held on **Friday, February 18, 2005** at **1:00 P.M.**, at the Franklin County Cooperative Extension Office. Commissioner Richie Farmer, presiding, called the meeting to order, and the Secretary called the roll.

Members Present

Donna Amburgey; H. H. Barlow; Vickie Yates Brown; John Cleaver; Rodney Dick; Commissioner Richie Farmer; Dennis Griffin; Wayne Hunt; Sam Lawson; Jim Mahan; Sam Moore; Dean M. Scott Smith; Secretary Gene Strong (Don Goodin, designee)

Members Absent

Governor Ernie Fletcher; Danny Case

Others Present

Staff - Catherine Ball; Angela Blank; David Bratcher; Brian Furnish; Tim Hughes; Maggie May; Bill McCloskey; Lucinda Pease; Keith Rogers; Nick Whobrey; Stephen Yates **Guests** – Thomas French, Purchase Area Aquaculture (PAAC); Lowell Atchley, Legislative Research Commission (LRC); Michael Judge Kentucky Department of Agriculture (KDA); Rayetta M. Boone, KDA; Steve Coleman, Division of Conservation; J.S. Hughes; Nancy Cox, University of Kentucky; Shana Herron, Community Farm Alliance (CFA); Dave Loney, Kentucky Vineyard Society (KVS); and Mac Stone, KDA.

Notification of Media

Commissioner Farmer received verification from Keith L. Rogers, Chief Executive Officer, that the media had received notice regarding the Agricultural Development Board meeting.

Welcome

Commissioner Farmer welcomed the Board and guests to the meeting.

Approval of Minutes

Dennis Griffin moved to approve the minutes of the January 21, 2005 meeting. Rodney Dick seconded the motion. The motion passed without dissent.

Executive Director's Report

Commissioner Richie Farmer yielded the floor to Mr. Rogers for the Executive Director's Report.

Mr. Rogers introduced Dr. Maelor Davies with the Kentucky Tobacco Research Development Center to give a presentation on plant made pharmaceuticals.

Mr. Rogers yielded the floor to Dean Scott Smith to give background on the plant made pharmaceutical project.

Dean Smith introduced Dr. Nancy Cox; Dr. Orlando Chamber, Agricultural Economist; and Dr. Maelor Davies the Director the program.

Dean Smith yielded the floor to Dr. Davies for a slide presentation (On File with the Board Secretary).

Mr. Rogers asked if there were any questions.

Mr. Barlow asked if Dr. Davies anticipates ten years down the road having large number of acres of tobacco. Dr. Davies answered that it is hard to predict. There will be modest acres, maybe hundreds and thousand in the future.

Mr. Griffin asked why the focus was so much on Kentucky instead of other places. Dr. Davies replied that we are in competition with other places. Dr. Davies thinks that Kentucky is doing more globally than anyone else.

Mr. Griffin asked if there is anything being done with hydroponics. Dr. Davies replied the only way that it would be efficient is if you have a high value product and the market is small then it may make sense to do hydroponics in green houses.

Mr. Cleaver asked what kind of money it would take to get involved in this. Dr. Davies answered not much money because The Kentucky Tobacco Research Development Center would be using their equipment etc.

Dean Smith asked Dr. Davies if he knew how much the large scale contracts were. Dr. Davies replied that it is a fixed fee and a favorable dollar.

Mr. Cleaver asked if the amount was five or six hundred dollars an acre. Dr. Davies replied that the amount would be more significant.

Mr. Hunt believes Kentucky can excel in this and feels agriculture is changing fast. Mr. Hunt stated that we have acres of greenhouses and there are a lot of people competing for this and Kentucky needs to be the one to get it. Mr. Hunt believes there has to be a true vision.

Vickie Yates Brown stated that we have to take the research from this and make it a business opportunity around the state.

Mr. Rogers thanked the six new board members for attending the confirmation hearing yesterday.

Mr. Rogers yielded the floor to Brian Furnish to discuss CoBank, a company that has begun to look at the produce and fruit industry, trying to gather information about the industry in Kentucky. Mr. Furnish explained that at the meeting grower members from each of the state's cooperatives were there on one side of the room and on the other side

of the room were the distributors. The first phase of the study will be released in March. It was the first time a buyer could tell the farmer what he was doing wrong and the farmer could tell the buyer what he was doing wrong.

Mr. Rogers explained that in the update folder there was a brochure on Adventures in Kentucky and yielded the floor to Mike Judge from the Kentucky Department of Agriculture (KDA) to explain the brochure.

Mr. Judge explained that KDA is adopting a program named COSI On Wheels that originally came from Ohio and adapting it to Kentucky agriculture. Mr. Judge explained that there is an annual operating cost, there is a fee to the school, and KDA will be doing a scholarship program for the poorer counties. A truck will go to the school and it can reach 450 students a day. It is a very interactive and has a hands-on environment. The person that is trained to do this is usually a theatrical major, so that they can get the children involved. COSI On Wheels will be able to travel to 125 schools a year.

Mr. Judge introduced Rayetta Boone and she explained that if the members would like to get a chance to see COSI On Wheels it will be in Lexington at Veterans Park Elementary on March 17 and 18.

Mr. Barlow asked what one needs to do to get it to come to certain schools.

Ms. Boone explained that one can call the number on the back of the brochure and to get a spot in the schedule with the rest of the state.

Mr. Barlow asked how much it costs the school. Ms. Boone answered that for one day it costs the school \$875.

Commissioner Farmer explained that the state of Kentucky has been talking about this for a while and it gives the kids interaction with agriculture. There are still kids that think their food comes from the grocery store and this gives them a hands-on experience.

Mr. Rogers noted that on the bottom of the brochure is the Kentucky Cattlemen's Association logo, West Kentucky Growers Cooperative, Kentucky Pork Producers, the Kentucky Department of Agriculture, and the Kentucky Agriculture and Environment in the Classroom Inc., which were all funded through the Kentucky Agricultural Development Board marketing and promotion grant.

Mr. Rogers explained that the Tobacco Settlement Oversight Committee met in late January and the prior three Agricultural Development Board meetings were covered. Mr. Rogers explained that it was one of the calmest meetings he's attended with not very many questions.

Mr. Rogers yielded the floor to Tim Hughes to give an update on the Kentucky Agricultural Finance Cooperation (KAFC). Mr. Hughes reported that he has worked with extension agents with the top fifty tobacco producing counties in the state. When prospective clients call the office the first thing they ask if KAFC provides grants. Mr. Hughes noted that it has been a challenge promoting the program because the farmers think they do not have to pay the money back. When meeting with potential applicants, they are not receptive to the idea of a loan. GOAP is talking about putting a presentation together for the low interest loan. With the down payment guarantee the banks are very positive, but the farm groups would prefer a grant.

Mr. Lawson noted that he has a handful of banks that would like to talk to Mr. Hughes.

Mr. Rogers updated the Board on companies that staff had visited since the last board meeting including: Northern Kentucky Cedar, Wal-Mart and a food distributors group out of London, KY. Mr. Rogers noted that in addition staff has had meetings with other individuals such as U.S. Premium Beef and staff met with Kentucky State University, University of Kentucky and Sygen.

Mr. Rogers stated that the next Board meeting would be on March 18, 2005.

Mr. Furnish handed out a sheet updating the Board on the Phase II situation. (On File with Board Secretary).

Mr. Rogers explained that the House of Representatives passed House Bill 132 and it has now gone to the Senate. Mr. Rogers explained that there is a dispute on what will happen to this Board if House Bill 132 passes the Senate also. Mr. Rogers explained the handout that Brian distributed.

Mr. Cleaver asked over how many years will the sixteen million be taken out. Mr. Rogers explained that it is a one time hit.

Mr. Cleaver asked if this is to pay the bond payment. Mr. Rogers answered it is to lower the bond payment.

Mr. Rogers explained that if looking at 2001-2004 the ADB on average approved fifteen million dollars in projects per year, which cuts our money at least in half.

Mr. Moore explained that there are legislators in the House of Representatives who say there is still eleven million dollars there.

Mr. Rogers explained that a lot of the legislators were misled.

Ms. Amburgey asked where the actual account is located. Mr. Rogers responded that it is in the state account system. Mr. Rogers explained that GOAP does not have a separate system.

Mr. Barlow asked if there was still seventeen million dollars for the Kentucky Agricultural Finance Cooperation (KAFC). Mr. Rogers responded that it is in the house budget, and until we pass a budget KAFC would get this money back.

Mr. Dick asked if GOAP could get Danny McKinney, from the Burley Tobacco Cooperative to come and speak at the March meeting.

Mr. Rogers let the board know that if they want to make contacts concerning Phase II the Appropriations and Revenue Committee and the Senate are the places to make them.

Referral of March Projects¹

Mr. Rogers presented projects A2005-0026 through A2005-0066 for referral to the Board's Project Review Committees. Mr. Lawson moved that projects A2005-0026 through A2005-0066 be referred the Board's Project Review Committees; Mr. Hunt seconded the motion. The motion passed without dissent.

Approval of Model Programs²

Commissioner Farmer submitted projects A2005-0048 and A2005-0032 as projects meeting the model **Agricultural Diversification Program** guidelines.

Commissioner Farmer submitted projects A2004-0315, A2005-0021, and A2005-0031 as projects meeting the model **Cattle Genetics Improvement Program** guidelines.

Commissioner Farmer submitted projects A2005-0049, A2005-0047, and A2005-0042 as projects meeting the model **Cattle Handling Facilities Program** guidelines.

Commissioner Farmer submitted project A2005-0033 as a project meeting the model **Dairy Diversification Program** guidelines.

Commissioner Farmer submitted project A2005-0057 as a project meeting the model **Farm Livestock Fencing Improvement Program** guidelines.

Commissioner Farmer submitted projects A2005-0024 and A2005-0007 as projects meeting the model **Forage Improvement & Utilization Program** guidelines.

Commissioner Farmer submitted projects A2005-0043, A2004-0427, and A2005-0050 as projects meeting the model **Goat Diversification Program** guidelines.

Commissioner Farmer submitted projects A2005-0046, A2005-0036, A2005-0030, A2005-0027, and A2005-0051 as projects meeting the model **Hay, Straw & Commodity Storage Program** guidelines.

Commissioner Farmer submitted projects A2005-0029 and A2005-0045 as projects meeting the model **On-farm Water Enhancement Program** guidelines.

Commissioner Farmer submitted project A2005-0054 as a project meeting the model **Technology Program** guidelines.

Mr. Moore moved the said applications be approved for the named model programs; Mr. Dick seconded the motion. The motion passed without dissent.

Review of Amendments

¹ A detailed list of the referred projects is attached as Appendix A.

² A detailed list of projects funded under each model program category is attached as Appendix B.

Mr. Rogers presented the following amendment for approval.

A2004-0147, Anderson County Farm Bureau, Inc., was approved for \$21,113.00 on April 29, 2004. The applicant requests an increase in project funds of \$7,004.84 for the Hay, Straw, and Commodity Storage Program in Anderson County. The request received a High priority from the Anderson County Council. The term of the program shall remain 18 months from the execution date of the original agreement. Approval of this request would bring the program total to \$28,117.84.

A2004-0200, Anderson County Farm Bureau, Inc., was approved for \$38,125.00, on May 21, 2004. The applicant requests an increase in project funds of \$565.95 for the On-Farm Water Enhancement Program in Anderson County. The request received a High priority from the Anderson County Council. The term of the program shall remain 12 months from the execution date of the original agreement. Approval of this request would bring the program total to \$38,690.95.

A2004-0149, Anderson County Farm Bureau, Inc., was approved for \$8,125.00 on April 29, 2004. The applicant requests a decrease in project funds of \$3,784.82 for the Agricultural Diversification Program in Anderson County. These funds are to be reallocated to the county account. Approval of this request would bring the program total to \$4340.18

A2004-0201, Anderson County Farm Bureau, Inc., was approved for \$68,125.00 on May 21, 2004. The applicant requests an increase in project funds of \$7,908.40 for the Farm Livestock Fencing Improvement Program in Anderson County. The request received a High priority from the Anderson County Council. The term of the program shall remain 12 months from the execution date of the original agreement. Approval of this request would bring the program total to \$76,033.40.

A2004-0148, Anderson County Farm Bureau, Inc., was approved for \$8,125.00 on April 29, 2004. The applicant requests a decrease in project funds of \$7,364.86 for the Forage Improvement and Utilization Program in Anderson County. These funds are to be reallocated to the county account. Approval of this request would bring the program total to \$760.14.

A2004-0329, Elliott County Fiscal Court, was approved for \$25,000.00 on July 16, 2004. The applicant requests a decrease in project funds of \$16,000.00 for the Cattle Handling Facilities Program in Elliott County. These funds are to be reallocated to the county account. Approval of this request would bring the program total to \$9,000.00.

A2004-0325, Elliott County Fiscal Court, was approved for \$100,000.00 on July 16, 2004. The applicant requests an increase in project funds of \$16,000.00 for the Hay, Straw, and Commodity Storage Program in Elliott County. The request received a High priority from the Elliott County Council. The term of the program shall remain 18 months from the execution date of the original agreement. Approval of this request would bring the program total to \$116,000.00

A2004-0457, The Grant County Agricultural Diversification Council, Inc., was approved for \$10,000 on November 19, 2004. The applicant requests an increase in project funds of \$30,000.00 for the Cattle Handling Facilities Program in Grant

County. The request received a High priority from the Grant County Council. The term of the program shall remain 12 months from the execution date of the original agreement. Approval of this request would bring the program total to \$40,000.00.

A2004-0423, Grant County Cattlemen's Association, Inc., was approved for \$100,000.00 on September 17, 2004. The applicant requests an increase in project funds of \$25,000.00 for the Hay, Straw, and Commodity Storage Program in Grant County. The request received a High priority from the Grant County Council. The term of the program shall remain 18 months from the execution date of the original agreement. Approval of this request would bring the program total to \$125,000.00.

A2004-0499, Muhlenberg County Cattlemen's Association, Inc., was approved for \$26,587.56 on December 17, 2004. The applicant requests an increase in project funds of \$13,917.00 for the Cattle Handling Facilities Program in Muhlenberg County. The request received a High priority from the Muhlenberg County Council. The term of the program shall remain 12 months from the execution date of the original agreement. Approval of this request would bring the program total to \$40,504.56.

A2004-0174, Meade County Grain Growers, Inc., was approved for 35,220.00 on May 21, 2004. The applicant requests an increase in project funds of \$3,100.00 for the Hay, Straw, and Commodity Storage Program in Meade County. The request received a High priority from the Meade County Council. The term of the program shall remain 18 months from the execution date of the original agreement. Approval of this request would bring the program total to \$38,320.00.

A2004-0146, Robertson County Farm Bureau, was approved for \$4,000.00 on May 21, 2004. The applicant requests an increase in project funds of \$50,000.00 for the Cattle Handling Facilities Program in Robertson County. The request received a High priority from the Robertson County Council. The term of the program shall remain 12 months from the execution date of the original agreement. Approval of this request would bring the program total to \$54,000.00.

Mr. Mahan moved that the said amendments be approved; Mr. Goodin seconded the motion. The motion passed without dissent.

A2003-0598, Murray State University, was approved for the creation of five one-acre ponds. Due to updated cost estimates and the availability of land in the most visible space, Murray State University has altered the scope of the aquaculture project to four half-acre ponds. Mr. Cleaver moved to approve the amendment for A2003-0598. Mr. Hunt seconded the motion. The motion passed without dissent.

A2004-0515, Cumberland County 4-H Council, requests that the administrative and fiscal responsibilities of this project be transferred to the Cumberland County Cattlemen's Association. The 4-H Council will continue with the project as approved other than this change. Ms. Amburgey moved to approve the amendment for A2004-0515. Mr. Moore seconded the motion. The motion passed without dissent.

A2005-0067, Lawrence County Agriculture Development and Economic Council, Inc., claims that this application was mailed to the Governor's Office of Agricultural

Policy in December but GOAP did not receive the application. Since the applicant believed the application would be funded in January, they proceeded to hold an educational session at which applications were given out to farmers. These farmers were made aware that the application had not yet been approved, but should be in the near future. The applicant has requested that this application be presented to the Agricultural Development Board for approval at the February meeting. The request comes with a High Priority from the Lawrence County Council, with sufficient funds in the county account to fund this program. Mr. Dick moved to approve A2005-0067 for the Hay, Straw and Commodity Storage program. Mr. Cleaver seconded the motion. The motion passed without dissent.

A2002-0435, Commonwealth Agri-Energy, the terms of the Commonwealth Agri-Energy's loan, there is an annual Free Cash Flow Sweep calculation. They are requesting a one year waiver of this requirement in order to use the approximately \$550,000.00 to expand the capacity of the plant. Mr. Barlow moved to approve the amendment for A2002-0435. Mr. Mahan seconded the motion. Mr. Hunt recused himself from the vote. The motion passed without dissent.

Committee Reports

Blue Project Review Committee

Recommendations for Funding

Mr. Barlow reported for the Blue Project Review Committee (PRC). Mr. Barlow noted that the Blue PRC is presenting seven projects for funding consideration.

Mr. Barlow presented **A2004-0502, Rockcastle County Fiscal Court**. The application received a high priority from Rockcastle County. The Rockcastle County Fiscal Court requested \$10,056.00 of Rockcastle County funds for a Farmers' Market shelter in Rockcastle County. The shelter will be located at the Broadhead Little World's Fairgrounds, a county-owned property. Currently eleven farmers make up the Farmers' Market; three members are new from the 2003 growing season. Sales growth for the Farmers' Market over the past four years has grown 300%. Mr. Barlow reviewed the proposed terms and conditions for the project.

Mr. Barlow moved that **A2004-0502 be approved for \$10,056.00 in Rockcastle County funds**; Mr. Goodin seconded the motion. The motion passed without dissent.

Mr. Barlow presented **A2004-0537, Carter County Extension District Board**. The application received a high priority from Carter County. The Carter County Extension District Board requested \$20,000.00 of Carter County funds and \$20,000.00 of state funds to provide a shed for the Carter County Farmers Market. They are seeking to construct a 40ft X 130 ft shed and gravel the area surrounding the shed for parking. The shed would provide twenty-six booths for vendors and a walkway for customers and allow the farmers market to be under roof and out of the elements from the weather, thus increasing participation of both producers and customers. Mr. Barlow reviewed the proposed terms and conditions for the project.

Mr. Barlow moved that **A2004-0537 be approved for \$20,000.00 in Carter County funds and \$20,000.00 in State funds**; Mr. Moore seconded the motion. The motion passed without dissent.

Mr. Barlow presented **A2004-0538, Bullitt County Conservation District**. The application received a high priority from Bullitt County. The Bullitt County Conservation District requested \$5,000.00 of Bullitt County funds and \$5,000.00 in state funds to construct a building to be used as the Bullitt County Farmer's Market as a place for local producers to sell their products. Mr. Barlow reviewed the proposed terms and conditions for the project.

Mr. Barlow moved that **A2004-0538 be approved for \$5,000.00 in Bullitt County funds and \$5000.00 in State funds**. Mr. Griffin seconded the motion. The motion passed without dissent.

Mr. Barlow presented **A2005-0002, Anderson County Farmer's Market, Inc..** The application received a high priority from Anderson County. The Anderson County Farmer's Market, Inc. requested \$5,000.00 of Anderson County funds and \$5000.00 in State funds to enhance the accessibility and function of the current Farmer's Market structure for both customers and growers. Funds would be used in the following manner: Indoor restroom for the market, expanded parking lot, loading dock for product delivery by member, repairing and painting exterior siding , adding gutters and downspouts, purchasing a compressor for a larger cold product display in the market, power of roof vent to keep building cooler and for installing a point of sale, bar code driven hardware and software system to simplify and improve record keeping and accounting for the market and its members sales. Mr. Barlow reviewed the proposed terms and conditions for the project.

Mr. Barlow moved that **A2005-0002 be approved for \$5,000.00 in Anderson County funds and \$5,000.00 in state funds**; Mr. Griffin seconded the motion. The motion passed without dissent.

Mr. Barlow presented **A2005-0003, Russell Neighborhood Development Authority, Inc..** The application received a high priority from Jefferson County. The Russell Neighborhood Development Authority, Inc. requested \$4,167.00 in Bullitt County funds, \$4,167.00 in Jefferson County funds, \$4,167.00 in Spencer County funds and \$12,500.00 in State Funds to conduct a feasibility study on the viability of a regional marketing facility that would initially serve retail and institutional markets in Bullitt, Spencer and Jefferson counties. The study will look at whether the state's farmers and specialty food producers can provide fresh, healthy, and affordable products that can appeal to the diverse populations of Bullitt, Spencer and Jefferson counties. Mr. Barlow reviewed the proposed terms and conditions for the project.

Mr. Barlow moved that **A2005-0003 be approved for \$4,167.00 in Bullitt County funds, \$4,167.00 in Jefferson County funds, \$4,167.00 in Spencer County funds, and \$12,500.00 in State Funds**. Ms. Amburgey seconded the motion. The motion passed without dissent.

Mr. Barlow presented **A2005-0005, Fayette County 4-H Council, Inc..** The application received a high priority from Fayette County. The Fayette County 4-H Council, Inc.

requested \$4,739 of Fayette County funds to purchase equipment and curriculum to conduct hands on educational sessions in areas like general animal care, nutrition, genetics, exhibition and maintenance. The education will coupled with field trips, guest speakers, and county and state shows. Equipment to be purchased include a sheep show stand, cattle grooming chute, a show tack box, three sets of sheep clippers and cutters for the shearing machine, one set of clipper and cutters for cattle trimmers, five sets of sheep hoof trimmers, sheep halters, sheep body suits cattle halters, three chicken incubators, 6X12' foot utility trailer to transport show equipment, stethoscopes, fans rabbit grooming clippers, rabbit holding pen and rabbit grooming supplies. The curriculum materials to purchased are the Ohio State University Poultry Learning Lab Kit, Project Manuals, National CCS 4-H Horse Project manuals, Ohio State Extension 4-H. Mr. Barlow reviewed the proposed terms and conditions for the project.

Mr. Barlow moved that **A2005-0005 be approved for \$4,739.00 in Fayette County funds**; Mr. Griffin seconded the motion. The motion passed without dissent.

Mr. Barlow presented **A2005-0006, Fayette County 4-H Council, Inc..** The application received a high priority from Fayette County. The Fayette County 4-H Council, Inc. requested \$2,102.00 of the Fayette County funds to purchase equipment and curriculum to support a hands-on approach to the horticulture, and environmental projects that the Council endorses. The funds will be used to support activities in the following clubs: Horticulture Club, Environmental Club and the Envirothon Team. Items to be purchased include: space saving composter, soil thermometer, soil Testing kit, hydroponics green house, light greenhouse, and a plant press. Mr. Barlow reviewed the proposed terms and conditions for the project.

Mr. Barlow moved that **A2005-0006 be approved for \$2,102.00 in Fayette County funds**; Mr. Goodin seconded the motion. The motion passed without dissent.

Red Project Review Committee

Recommendations for Funding

Mr. Lawson reported for the Red Project Review Committee (PRC). Mr. Lawson noted that the Red PRC is presenting three projects for funding consideration.

Mr. Lawson presented **A2004-0490, Nelson County Horticulture Advisory, Inc. and Nelson County Fiscal Court.** The application received a high priority from Nelson County. The Nelson County Horticulture Advisory, Inc. and Nelson County Fiscal Court requested \$68,000.00 in Nelson County funds and \$50,000.00 in State funds to construct a farmer's market facility that will provide for expanded and new direct to consumer sales opportunities for agriculture produces. The new facility will be located next to the Nelson County Extension Office which is three blocks south of the court house. A permanent facility will allow for uninterrupted sales during inclement weather, opportunities to host educational events and should prove to be a stimulating hub for agriculture diversification. Once the new facilities are in place the farmers market will be expanded beyond fruits and vegetables to include hay, horticulture, processed farm goods and other items produced locally. The new facilities are expected to provide a market place or link to the consuming public for

at least thirty producers in Nelson and surrounding counties. Mr. Lawson reviewed the proposed terms and conditions for the project.

Mr. Lawson moved that **A2004-0490 be approved for \$68,000.00 in Nelson County funds and \$50,000.00 in State funds**; Mr. Mahan seconded the motion. The motion passed without dissent.

Mr. Lawson presented **A2004-0523, Marshall County Conservation District**. The application received a high priority from Marshall County. The Marshall County Conservation District requested \$21,000.00 of Marshall County funds for additional funding to a project, currently underway in Marshall County to improve the bottomland farms along Clarks River by the removal of Debris in the East Fork Clarks River. The funds will be used to match funds provided by the Conservation District, Marshall County fiscal Court & City of Benton. The land will be made productive or production improved by the reduction of flooding and of scour erosion on thirty three farms along the river. The project participants will be active grain/row crop farmers some of which will have tobacco production as a portion of their operation. Mr. Lawson reviewed the proposed terms and conditions for the project.

Mr. Lawson moved that **A2004-0523 be approved for \$21,000.00 in Marshall County funds**; Mr. Barlow seconded the motion. The motion passed without dissent.

Mr. Lawson presented **A2005-0019, Elkton Rotary Club**. The application received a high priority from Todd County. The Elkton Rotary Club requested \$25,700.00 of Todd County funds to assist tobacco-impacted families in paying for post-secondary education that will prepare them (the adults or the college-aged children) for employment off the farm (which may enable them to continue to farm or to begin to farm.) Phase I funds will be used to cost-share on educational expenses with farm families. Mr. Lawson reviewed the proposed terms and conditions for the project.

Mr. Lawson expressed his concern that this program could be turned into a scholarship program. Mr. Lawson requested that the Elkton Rotary Club work with Shelby County to look at this program.

Mr. Cleaver wants the applicants to be trained to stay on the farm.

Mr. Lawson moved that **A2005-0019 be pended for further review**. Mr. Dick seconded the motion. The motion passed without dissent.

Recommendations for No Funding

Mr. Lawson presented **A2004-0547, Logan County Cattlemen's Association Inc..** The applicant requested \$11,315.00 in Logan County funds to implement the Genetic Improvement Program.

Mr. Lawson presented **A2004-0548, Dairy Herd Improvement, Inc..** The applicant requested \$11,315.00 in Logan County funds to implement the Genetic Improvement Program in Logan County.

Mr. Lawson presented **A2004-0549, Dairy Herd Improvement, Inc..** The applicant requested \$11,315.00 in Logan County funds to implement the Dairy Diversification Program in Logan County.

Mr. Lawson moved that no funds be awarded to **A2004-0547, A2004-0548, and A2004-0549**, due to the Logan County Council rating the application a low priority and the Council did not commit any county funds. Mr. Cleaver seconded the motion. The motion passed without dissent.

Mr. Lawson presented **A2005-0001, City of Erlanger.** The applicant requested \$3,822.50 in state funds to obtain funding for the design and creation of construction documents for a pavilion for the Dixie Farmers' market in Erlanger, Kentucky. Mr. Lawson moved that no funds be awarded to A2005-0001 based on it does not fit the criteria of a feasibility study for the Farmers' Market Competitive Grant Program; Mr. Cleaver seconded the motion. The motion passed without dissent.

Other Business

Mr. Rogers yielded the floor to Bill McCloskey to discuss Western Kentucky Growers Cooperative (WKGC). Mr. Rogers noted that the WKGC met the terms given to them.

Mr. McCloskey explained the handout that was in the mailing for the Board (On File with Board Secretary).

Mr. Cleaver asked if WKGC has committed any new growers.

Joe Cecil, CEO & President of sales for WKGC replied that so far two have committed, but there are twelve who are interested and have not yet committed.

Mr. Furnish asked what the status is of the production manager that WKGC was going to hire. Mr. Cecil replied, yes the production manager is ready to start working for WKGC.

Mr. Rogers explained to the Board that no action is taking place at this Board meeting. Legal documents will be drafted this week and by March 1, 2005 we will be ready to execute the legal document.

Dean Smith asked if there was any discussion on West Kentucky Growers Cooperative at the Tobacco Settlement Oversight Committee meeting. Mr. Rogers explained that there was concern but not opposition.

Mr. Dick asked how much does the board has invested in WKGC. Mr. Rogers responded 3.4 million dollars.

New Business

Commissioner Farmer announced that Charlie Hamilton a former Commissioner of Agriculture, passed away today.

Mr. Cleaver asked for an update on the Tobacco Buyout.

Mr. Furnish explained that the sign up for the Tobacco Buyout is March 14 -June 17. There will be town hall meetings around the tobacco producing states to field questions about the process and give more information to the growers. The regulations have not been released yet, so all we know for sure is that the payment has to be paid by September 30, 2005.

Closing Remarks

The next meeting of the Kentucky Agricultural Development Board will convene on Friday, March 18, 2005. The time and location has yet to be determined.

The meeting adjourned at 4:02 P.M.

APPROVED: _____

PRESIDING OFFICER: _____

SECRETARY: _____

Friday, February,18, 2005

New Applications for Referral

Appl #	Project Name	Project Type
A2005-0026	Kentucky Aquaculture Association, Incorporated	Project
A2005-0027	Rowan County Fiscal Court	Hay, Straw, & Commodity Storage
A2005-0028	Boyd Orchards	Project
A2005-0029	Clinton County Soil Conservation District	On-farm Water Enhancement
A2005-0030	Nicholas County Fiscal Court	Hay, Straw, & Commodity Storage
A2005-0031	Nicholas County Fiscal Court	Cattle Genetics Improvement
A2005-0032	Nicholas County Fiscal Court	Agricultural Diversification
A2005-0033	Dairy Herd Improvement Incorporated	Dairy Diversification
A2005-0034	Ballance Moto X Incorporated	Project
A2005-0035	Jessamine County FFA Alumni Association	Project
A2005-0036	Green River Area Beef Improvement Group, Inc.	Hay, Straw, & Commodity Storage
A2005-0037	Evans Orchard and Cider Mill, LLC	Project
A2005-0038	John F. Dance Enterprises, Inc.	Project
A2005-0039	Old Friends, Inc.	Project
A2005-0040	Terrapin Hill Farm	Project
A2005-0041	Serenity Hill Farm	Project
A2005-0042	Casey County Cattlemen's Association, Inc.	Cattle Handling Facilities
A2005-0043	Central Kentucky Meat Goat Producers Association, Inc.	Goat Diversification
A2005-0044	Farmer Bill's, LLC	Project
A2005-0045	Rowan County Fiscal Court	On-farm Water Enhancement
A2005-0046	Bourbon County Fiscal Court	Hay, Straw, & Commodity Storage
A2005-0047	Bourbon County Fiscal Court	Cattle Handling Facilities
A2005-0048	Bourbon County Fiscal Court	Agricultural Diversification
A2005-0049	Allen County Farm Bureau, Inc., of Allen County, Kentucky	Cattle Handling Facilities

New Applications for Referral

Appl #	Project Name	Project Type
A2005-0050	Barren River Area Development District	Goat Diversification
A2005-0051	Warren County Farm Bureau of Warren County, Kentucky	Hay, Straw, & Commodity Storage
A2005-0052	The Kentucky Partnership for Farm Family Health and Safety, Inc.	Project
A2005-0053	John's Custom Meats	Project
A2005-0054	Todd County Farm Bureau of Todd County, Kentucky	Technology
A2005-0055	Kentucky Wireless Company, LLC	Project
A2005-0056	Todd County Conservation District	Project
A2005-0057	Robertson County Farm Bureau Federation Inc.	Farm Livestock Fencing Improvement
A2005-0058	Eastern Kentucky Goat Producer	Goat Diversification
A2005-0059	Jackson County Cattlemen's Association Incorporated	Forage Improvement & Utilization
A2005-0060	Jackson County Cattlemen's Association Incorporated	Cattle Genetics Improvement
A2005-0061	Clinton/Cumberland Cattlemen's Assoc., Inc.	Farm Livestock Fencing Improvement
A2005-0062	Morgan County Fiscal Court	Hay, Straw, & Commodity Storage
A2005-0063	Morgan County Fiscal Court	Agricultural Diversification
A2005-0064	Morgan County Fiscal Court	Forage Improvement & Utilization
A2005-0065	Powell County Soil Conservation District	Shared-use Equipment
A2005-0066	Kentucky Dairy Council	Project

APPENDIX B: Model Program Lists

Agricultural Diversification

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2005-0048	Bourbon County Fiscal Court	Bourbon	\$26,750.00
A2005-0032	Nicholas County Fiscal Court	Nicholas	\$50,000.00
			<u>\$76,750.00</u>

Cattle Genetics Improvement

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2004-0315	Gallatin County Farm Bureau	Gallatin	\$25,000.00
A2005-0021	Grant County Cattlemens Association, Inc.	Grant	\$30,000.00
A2005-0031	Nicholas County Fiscal Court	Nicholas	\$24,499.00
			<u>\$79,499.00</u>

Cattle Handling Facilities

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2005-0049	Allen County Farm Bureau, Inc., of Allen C	Allen	\$51,686.00
A2005-0047	Bourbon County Fiscal Court	Bourbon	\$117,700.00
A2005-0042	Casey County Cattlemen's Association, Inc.	Casey	\$23,749.00
			<u>\$193,135.00</u>

Dairy Diversification

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2005-0033	Dairy Herd Improvement Incorporated	Simpson	\$10,000.00
			<u>\$10,000.00</u>

Farm Livestock Fencing Improvement

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2005-0057	Robertson County Farm Bureau Federati	Robertson	\$100,000.00
			<u>\$100,000.00</u>

Forage Improvement & Utilization

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2005-0024	Carlisle County Conservation District	Carlisle	\$36,750.00
A2005-0007	Johnson County Conservation District	Johnson	\$10,000.00
			<u>\$46,750.00</u>

Goat Diversification

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2005-0043	Central Kentucky Meat Goat Producers A	Casey	\$23,749.00
A2004-0427	Barren River Area Development District	Simpson	\$5,000.00
A2005-0050	Barren River Area Development District	Warren	\$10,000.00
			<u>\$38,749.00</u>

APPENDIX B: Model Program Lists

Hay, Straw, & Commodity Storage

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2005-0046	Bourbon County Fiscal Court	Bourbon	\$74,900.00
A2005-0036	Green River Area Beef Improvement Gro	Hancock	\$35,000.00
A2005-0067	Lawrence County Agriculture Developmen	Lawrence	\$32,700.00
A2005-0030	Nicholas County Fiscal Court	Nicholas	\$63,000.00
A2005-0027	Rowan County Fiscal Court	Rowan	\$16,000.00
A2005-0051	Warren County Farm Bureau of Warren C	Warren	\$31,500.00
			<u>\$253,100.00</u>

On-farm Water Enhancement

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2005-0029	Clinton County Soil Conservation District	Clinton	\$50,000.00
A2005-0045	Rowan County Fiscal Court	Rowan	\$37,000.00
			<u>\$87,000.00</u>

Technology

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2005-0054	Todd County Farm Bureau of Todd Count	Todd	\$46,500.00
			<u>\$46,500.00</u>